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# THE EFFECT OF WORK CONFLICT AND TRANSFORMATIONAL LEADERSHIP ON THE PERFORMANCE OF PT KAI'S OPERATIONAL EMPLOYEES 

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#### Abstract

The challenge concerning the future of any organization is the task of a transformational leader to bring his team to solutions and to see and take advantage of various opportunities so that the company's goals can be achieved. Working to achieve high performance is not without problems. Every individual every unit must work together to build good performance to deal with dynamic problems. Problems at work experienced by employees can lead to work conflicts. This conflict can interfere with target achievement and performance. This study aims to analyze the influence of transformational leadership factors and work conflict factors on employee performance. The population of this research is the office employees of the directorate of operations of PT Kereta Api Indonesia (Persero) spread across the working areas in Java and Sumatra ( $S=207$ ), where $S$ is the number of samples of office employees of the directorate of operations of PT Kereta Api Indonesia (Persero). The data analysis method used is PLS-SEM to test the relationship between variables that have been conceptualized using Smart PLS 3.0 software. The results show that transformational leadership has a positive effect on employee performance, while work conflict has a negative effect on employee performance.


Keywords: Transformational Leadership, Work Conflict, Employee Performance

The Effect of Work Conflict<br>and

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The challenge concerning the future of any company or organization is the task of a transformational leader to bring his team to solutions to problems and to see and take advantage of various opportunities so that company goals can be achieved. Today, a world that is increasingly VUCA (Vulnerable, Uncertainty, Complexity, and Ambiguity) due to the progress of a growing and increasingly sophisticated industry must be anticipated, because problems and challenges will continue to move, differ, and evolve throughout the history of human civilization. Thus the future will be increasingly difficult to predict, the causes of problems become increasingly unclear, the direction of policies made by business actors in the industry is increasingly uncertain, so a good leader must be able to influence and motivate employees in order to improve the performance of their employees towards change. better than the previous period. Especially in this case, the leader must be able to encourage his employees to be able to think in a new way, adapting to problems that continue to develop following the dynamics of the industry. In the World Economy Forum it is said that the biggest crisis today is the leadership crisis (Shahid, 2015). Leadership can be the root of the solution or the root of the problem. The Deloitte survey in Leading the New World of Work Human Capital Trend 2014-2015 shows that leadership is increasingly important in its position, but at the same time the gap in leader readiness is widening (Deloitte, 2015). Transformational leadership is a type of leadership that is able to transform subordinates to perform better than expected (Pieterse, et al., 2010). This type of leadership is a type of leadership that can boost employee motivation so as to increase performance targets. Providing motivation through transformational leadership is important to get the best results. Leaders who have a transformational attitude will motivate their employees by providing various responses related to empowering their employees' competencies so that they can adjust the goals and targets of employees individually, in groups, and in the organization and in the end can have an impact on employee confidence in leadership abilities which can affect employee confidence, overall involvement emotions, and the drive to perform at a higher level.

Working to achieve high performance is not without problems. Every individual and even every unit must work together to build good performance to deal with dynamic problems. Working together can be done by means of collaboration. Collaboration is very important to do to achieve success in the business world, where in collaboration there is a win-win solution, no party is harmed in this case so that collaboration is the best conflict management in reaching agreements with other organizations in the business (Weingart and Jehn, 2012). Magdaleno, et al. (2009) said that in the current practice of the business world, collaboration is not considered a competitive advantage, and companies often neglect to promote this so that the initiatives they undertake are often fragile and difficult to implement. Neglecting collaboration can result in problems at work. Problems at work experienced by employees can lead to work conflicts. Individuals exist in teams, and teams themselves exist in organizations. Therefore, organizational performance is highly dependent on employee performance, therefore each employee contributes through their best performance (Gibson, et al., 1995). Effendi (2006) also said that organizational performance is the output of individual performance in the organization, even though there are differences in the contribution given by each individual.

The transportation service industry is one of the industries undergoing rapid changes in this VUCA era. The government has focused on infrastructure development spread throughout Indonesia, as an effort to advance the nation's economy. The means of public transportation commonly used by people in Indonesia to travel generally are trains, airplanes, and ships. The growth of passengers using the train mode is increasingly favored by the public. This certainly provides a great opportunity for companies engaged in the railway sector to gain profits from the growing trend of passengers using trains to travel. PT Kereta Api Indonesia (Persero) continues to strive to implement the best standards in its field based on the applicable management system. PT KAI has established various strategies and programs to achieve its vision of "Being the Best Transportation Ecosystem Solution for Indonesia" through the development and innovation of various services in building multimodal transportation connectivity that makes it easier for its customers. People's interest in using train services to travel can be influenced by several factors such as being on time, safe, and faster than other land modes, which makes people interested in using trains for transportation (Hastuti, et al., 2020). The Directorate of Operations of PT KAI is a directorate that plays an important role in regulating and managing railway operations in generating the company's main source of income, so that the performance achieved by this directorate can be said to be the backbone of the company's operational performance. With competition in the transportation industry that is getting faster, expect changes that continue to improve from time to time. Therefore, the authors are encouraged to conduct research on "The Effect of Work Conflict and Transformational Leadership on the Performance of PT KAI's Operational Employees"

## LITERATURE REVIEW

The process of digitization, new connectivity, freedom of trade between organizations or countries, wide competition, and innovation of business models. Disruptive innovation causes conditions where the state of the industry experiences VUCA (Volatile, Uncertainty, Complexity, and Ambiguity), where dynamic and unpredictable changes occur with complex issues so that the problems faced become unclear. The existence of
these conditions causes the organization or company to be required to quickly adapt, so it must involve the right abilities in making decisions. Achievement of performance cannot be separated from the influence of conflict variables. In his research, Rahim (2001) suggests that conflicts that occur at moderate levels can increase performance at high levels, while conflicts at low and high levels will actually reduce performance. The same thing was also conveyed by Jehn and Mannix (2001) which stated that high work conflict will have an impact on decreasing performance. These differences can cause obstacles in obtaining important information or knowledge that can detect or correct errors in the organization, so that it can maintain its best performance (de Waal, et al., 2019). A situation in which a team or department is unwilling to share knowledge or an organization, which can interfere with collaboration and learning activities within the organization that can interfere with the achievement of high performance and organizational sustainability is known as a silo. Problems at work experienced by employees can lead to work conflicts. Conflicts that occur in various forms are generally common in any industry and anywhere. Jehn, et al. (2011) divides the dimensions of conflict into several parts, namely task conflict, process conflict, and relationship conflict.

The ability to lead is needed by a superior to encourage and direct his subordinates in their efforts to achieve the goals of a company (Robbins, 2012). More fully, DuBrin (2015) argues that leadership is an attempt to influence people through communication to achieve goals, how to influence people using instructions or orders, actions that cause others to act and cause positive change, dynamic forces that motivate and coordinate organizations in order to achieve positive goals. achieve goals, the ability to create confidence and support among subordinates so that company goals can be realized. The ability to influence from a superior is very influential for the achievement of goals in the company. Through the opinions of these experts, it can be found similarities in leadership, namely: 1) There are leaders and followers, so there is a process to lead; 2) The existence of social influence caused; and 3) Focus on goals. Bass (1985) argues that in achieving performance that exceeds the limits of subordinates, the leadership that is practiced must be transformational, so that further arguments arise that transformational leadership is better, because it is more effective and leaders contribute more in motivating their subordinates to achieve better performance. In the era of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) which cannot be avoided by companies today, vision is the best proxy to be able to predict the possibility and unstable conditions in the future. Then, Leaders are also required to be able to read the surrounding environment and be able to mobilize their human resources through recognition and communication. Rafferty and Griffin (2005) identified that transformational leadership is a type of leadership that has a vision, inspires communication, supports leadership, encourages intellectual stimulation of its employees, and recognizes its personnel.

Performance is the level of success of employees in completing the tasks and responsibilities given within a certain time. The concept of performance is defined as work performance, namely by comparing work results with expected work standards (Dessler, 1999). The main focus of employee performance is task performance, which can be interpreted as a person's ability to carry out substantive core or important technical tasks in the employee's work. This is in line with the opinion of Campbell (1990) in Koopmans, et al. (2014). To support the implementation of these core tasks, it is also necessary to measure contextual performance, and adaptive performance.

## RESEARCH METHODOLOGY

This study uses quantitative methods to test predetermined hypotheses. Quantitative research contains numbers collected using measurements with variable scales in the study. The required data collection is done by sending a questionnaire to the respondents, to then be filled in according to the actual situation. The object of research to be studied is the operating unit of PT Kereta Api Indonesia (Persero) which is spread across all working areas in Java and Sumatra. The data contained in the questionnaire are respondents' perceptions of the variables of work conflict, transformational leadership, and employee performance. The population of this study is KAI operational office employees spread across all work areas in Java and Sumatra, totaling 429 people, of which 278 employees in Java and 151 people in Sumatra. In this research, author successfully collect 207 answers from respondents.

Research data collected through questionnaires will be explained in detail using descriptive analysis. The process is carried out using descriptive statistics by describing or explaining the data that has been collected. In this study, what will be described are the variables of work conflict, transformational leadership, and employee performance. In addition, verification analysis is used to find the truth of the hypotheses that have been previously proposed. The effect of verification from this study is to determine the effect of work conflict, transformational leadership on employee performance. analysis of the Multivariate Data Analysis (MDA) model using the Partial Least Square (PLS) method. PLS is able to consider all the direction of the coefficients together to be able to analyze direct, indirect, or false relationships that regression analysis does not have. The paradigm of the research is shown below in Figure 1.

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Figure 1. Research Paradigm
$\qquad$

The variable of Transformational Leadership ( $\mathrm{X}_{1}$ ) consists of 5 dimensions and a total of 14 questions, while the variable of Work Conflict ( $\mathrm{X}_{2}$ ) contains 3 dimensions and 12 questions, last but not least the variable of Employee Performance ( Y ) contains 3 dimensions and a total of 22 questions. Those all questionnaire are distributed to 207 respondents, and the descriptive statistics are shown below in Table 2.

|  | Variable |  | Dimension | Average | Category |
| :--- | :--- | :--- | :---: | :---: | :---: |
| Table 1. |  | Vision | Overall |  |  |
| Recapitulation of | Transformational | Intellectual Stimulation | 2,86 | Decent |  |
| Descriptive | Leadership | Inspirational Communication | 2,98 | Decent |  |
| Analysis of |  | Supportive Leadership | 2,84 | Decent | Decent |
| Variables |  | Personal Recognition | 2,94 | Decent |  |
|  | Work Conflict | Task Conflict | 2,68 | Medium |  |
|  |  | Relationship Conflict | 2,36 | High | High |
|  |  | Process Conflict | 2,66 | Medium |  |
|  |  | Task Performance | 3,01 | Decent | Decent |
|  |  | Cmployee Performance | Contextual Performance | 3,05 |  |
|  |  | Adaptive Performance | 2,84 | Decent |  |
|  |  |  |  |  |  |

Source: Data Processing (2022)
Vision is the most prominent dimension for transformational leadership at PT KAI. This shows that the leaders who serve in the PT KAI operations directorate are able to demonstrate their commitment to the goals to be achieved. However, this has not been able to be realized properly because the organizational abilities possessed by superiors are considered not yet able to support the activities that are expected to bring the organization towards the desired goals. Supportive leadership is the dimension of transformational leadership that has the lowest average value in this variable. Operations directorate employees assume that their superiors have not fully supported career development. The lowest dimension in work conflict variable is the dimension of relationship conflict, with an average value of 2.36. This value is below the average variable. This shows that the relationship conflict that occurs is quite high. Among the dimensions of employee performance, it was found that there are two dimensions that are above the average variable, namely the task performance dimension and contextual performance dimension with an average score of 3.01 and 3.05 respectively. This indicates that KAI's operational employees know the
output that must be produced from the work they do．Meanwhile，the adaptive performance dimension has an average value that is below the variable average，which is 2.84 ．This indicates that the directorate of operations staff is still lacking in adapting to the latest technology that can help with daily work．

The questionnaire is said to be valid if the questions contained can reveal something that will be measured by the questionnaire，therefore validity test is used to measure the validity of it．Based on the results of model testing，the results show that all manifest（observed variable）has a loading factor value greater than 0.70 ．So the SEM－PLS model is said to have good construct validity．The result is shown below in Table 2．Furthermore，the average variance extracted（AVE）test will be carried out to further strengthen the results of convergent validity with the criteria if the AVE value is $>0.5$ ，then the construct used in the study is valid．These results shown in Table 3 indicate that all latent variables have an AVE value of more than 0.5 ．This indicates that the indicators that make up the latent construct have good convergent validity when viewed from the average variance extracted value．

| Construct | Loading Factor | Critical | Result |
| :---: | :---: | :---: | :---: |
| V1ヶX11 | 0.939 | 0.70 | Valid |
| V2ヶX11 | 0.900 | 0.70 | Valid |
| V $3 \leftarrow$ X11 | 0.949 | 0.70 | Valid |
| IS1 $\leftarrow$ X12 | 0.969 | 0.70 | Valid |
| IS2↔X12 | 0.973 | 0.70 | Valid |
| $\mathrm{IS} 3 \leftarrow \mathrm{X} 12$ | 0.887 | 0.70 | Valid |
| IC1ヶX13 | 0.921 | 0.70 | Valid |
| $\mathrm{IC} 2 \leftarrow \mathrm{X} 13$ | 0.933 | 0.70 | Valid |
| SL1ヶX14 | 0.917 | 0.70 | Valid |
| SL2 $\leftarrow$ X14 | 0.927 | 0.70 | Valid |
| SL3↔X14 | 0.909 | 0.70 | Valid |
| PR1ヶX15 | 0.875 | 0.70 | Valid |
| PR2ヶX15 | 0.951 | 0.70 | Valid |
| PR3↔X15 | 0.909 | 0.70 | Valid |
| TC1ヶX21 | 0.849 | 0.70 | Valid |
| TC2ヶX21 | 0.934 | 0.70 | Valid |
| TC3¢X21 | 0.900 | 0.70 | Valid |
| TC4ヶX21 | 0.761 | 0.70 | Valid |
| $\mathrm{RC} 1 \leftarrow \mathrm{X} 22$ | 0.849 | 0.70 | Valid |
| RC2 ¢ ${ }^{\text {22 }}$ | 0.838 | 0.70 | Valid |
| RC3 ¢ 222 | 0.928 | 0.70 | Valid |
| RC4 ¢ 222 | 0.920 | 0.70 | Valid |
| $\mathrm{PC} 1 \leftarrow \mathrm{X} 23$ | 0.777 | 0.70 | Valid |
| $\mathrm{PC} 2 \leftarrow \mathrm{X} 23$ | 0.914 | 0.70 | Valid |
| $\mathrm{PC} 3 \leftarrow \mathrm{X} 23$ | 0.870 | 0.70 | Valid |
| PC4ヶX23 | 0.826 | 0.70 | Valid |


| Construct | Loading Factor | Critical | Result |
| :---: | :---: | :---: | :---: |
| TP1 ¢ ${ }^{\text {¢ }}$ | 0.915 | 0.70 | Valid |
| TP2 $\leftarrow$ Y1 | 0.969 | 0.70 | Valid |
| TP3¢Y1 | 0.931 | 0.70 | Valid |
| TP4ヶY1 | 0.964 | 0.70 | Valid |
| TP5 ¢ Y 1 | 0.972 | 0.70 | Valid |
| TP6ヶY1 | 0.971 | 0.70 | Valid |
| TP7 $\leftarrow$ Y1 | 0.966 | 0.70 | Valid |
| CP1ヶY2 | 0.979 | 0.70 | Valid |
| CP2 ¢ 42 | 0.953 | 0.70 | Valid |
| CP3ヶY2 | 0.986 | 0.70 | Valid |
| CP4ヶY2 | 0.960 | 0.70 | Valid |
| CP5 ¢ 22 | 0.979 | 0.70 | Valid |
| CP6ヶY2 | 0.977 | 0.70 | Valid |
| CP7¢Y2 | 0.981 | 0.70 | Valid |
| CP8ヶY2 | 0.970 | 0.70 | Valid |
| CP9 $\leftarrow \mathrm{Y} 2$ | 0.948 | 0.70 | Valid |
| AP1 $\leftarrow$ Y 3 | 0.940 | 0.70 | Valid |
| AP2 $\leftarrow$ Y 3 | 0.963 | 0.70 | Valid |
| AP3 $\leftarrow$ Y 3 | 0.880 | 0.70 | Valid |
| AP4ヶY3 | 0.926 | 0.70 | Valid |
| AP5 ¢Y3 | 0.767 | 0.70 | Valid |
| AP6 ¢Y3 | 0.946 | 0.70 | Valid |

## Construct

Transformational Leadership（ $\mathrm{X}_{1}$ ）
Work Conflict（ $\mathrm{X}_{2}$ ）
Employee Performance（Y）

AVE Critical Result $0.807 \quad 0.5 \quad$ Valid
$0.657 \quad 0.5 \quad$ Valid
$0.883 \quad 0.5 \quad$ Valid
$0.5 \quad$ Valid

## Source：Data Processing（2022）

Based on the AVE value of each construct in the table above，it shows that the value is greater than 0.50 ， which means that each of these constructs has good discriminant validity．Based on table 2 and table 3 about the validity of the four research variables and their construct，it can be seen that all statement items from the

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Table 2. Construct＇s Loading Factor Validity Result

Table 3.
AVE Value in each Construct

Table 4.
Table of Reliability Test Result

Table 5.
The Value of RSquare and FSquare
four variables are valid. So that all the statements listed in the questionnaire above are eligible to reflect the variables in the study.

Cronbach's Alpha and Composite Reliability to determine whether the construct reliability is good or not. Each construct is said to be reliable if it has Cronbach's Alpha and Composite Reliability greater than 0.70 (Hair et al, 2017). It can be seen that there is a latent construct having Cronbach's alpha value of more than 0.70 ; where it indicates that the latent construct has good reliability. In addition, the composite reliability value of all latent constructs also has a value greater than 0.70 . Based on the value of Cronbach's alpha and composite reliability obtained, it shows that the model has good reliability. The results are shown in Table 4 below.

| Latent | Cronbach's Alpha | Composite <br> Reliability |
| :--- | :---: | :---: |
| Transformational Leadership $\left(\mathrm{X}_{1}\right)$ | 0.981 | 0.983 |
| Work Conflict $\left(\mathrm{X}_{2}\right)$ | 0.951 | 0.958 |
| Employee Performance $(\mathrm{Y})$ | 0.994 | 0.994 |

Source: Data Processing (2022)
The estimation of the relationship between constructs can be seen as follows: The latent variable of Employee Performance ( Y ) is influenced by the latent variable of Transformational Leadership ( $\mathrm{X}_{1}$ ) and Work Conflict ( $\mathrm{X}_{2}$ ). According to Chin (1998) in Yamin and Kurniawan (2011:21), an R-Square with a value of 0.67 indicates a strong model, a value of 0.33 indicates a moderate model and a value of 0.19 indicates a weak model. This value indicates the extent to which the ability of the independent construct to explain the variation in the dependent construct. The R-Square for the variable employee performance of 0.764 which means thattransformational leadership and work conflict simultaneously affect the performance of KAI's operational employees by $76.4 \%$, while the remaining $23.6 \%$ is influenced by other variables not examined in this study. Next is to see the value of the F-Square. The effect size calculation is carried out to determine the change in the value of the endogenous construct. Changes in value indicate the effect of exogenous constructs on endogenous constructs whether they have a substantive effect. The F-Square value of 0.02 indicates a small rating, Effect Size 0.15 indicates a medium rating and Effect Size 0.35 indicates a large rating (Cohen, 1988 in Yamin and Kurniawan (2011:21). The variables of transformational leadership ( $\mathrm{X}_{1}$ ) and work conflict $\left(\mathrm{X}_{2}\right)$ each have an influence with a large and moderate category in influencing the employee performance variable ( Y ). The results for R-Square and F-Square is shown in The Table 5.

| Endogenous | RSquare | Relationship | Variable | Effect <br> Size | Rating |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Employee Performance ( Y ) | 0.764 | Strong | Employee Performance (Y) |  |  |
|  |  |  | Transformational Leadership ( $\mathrm{X}_{1}$ ) | 0.606 | Big |
|  |  |  | Work Conflict ( $\mathrm{X}_{2}$ ) | 0.199 | Moderate |

Source: Data Processing (2022)

Hypothesis testing in this study was carried out using the path coefficient, t -value, and p -value values. To assess the significance and predictions in hypothesis testing, it can be seen from the path coefficient and t-value (Kock, N. 2016). According to Kock, N (2016) assessing the prediction and significance in hypothesis testing can be seen from the p-value. According to Kock, N. (2016), with a $95 \%$ confidence level (alpha 5\%), two tailed, the t -table values are obtained as follows: If the value of t -statistic > 1.96 (used for direct effect), then H 0 is rejected and H 1 is accepted, while if the value of t -statistic < 1.96 (used for direct effect), then H 0 is accepted and H 1 is rejected.

| Hypothesis | Original <br> Sample(0) | t-Stats | p-value | Conclusion |
| :---: | :---: | :---: | :---: | :---: |
| Transformational Leadership on the Performance of <br> KAl's Operational Employees | 0.588 | 10,551 | 0.000 | Reject H0.1 |
| Work Conflicts on the Performance of KAl's Operational <br> Employees | -0.337 | 6,266 | 0.000 | Reject H0.2 |

Based on the results of the analysis of the influence of transformational leadership variables and work conflict on the performance of KAI's operational employees, the R square value is 0.764 , so that the F count is then calculated to assess the effect of transformational leadership and work conflict on the performance of KAI's operational employees as follows

$$
F \text { count }=\frac{(n-k-1) R^{2}}{k\left(1-R^{2}\right)}
$$

## Where:

$\mathrm{n} \quad=$ amount of data
R2 = coefficient of determination
k = number of independent variables
$F$ count $=330,203$

Based on the above calculations, it can be seen that the calculated F is 330,203 at the significance level in the simultaneous test using $=0.05$ or $5 \%$ with degrees of freedom df1 $=\mathrm{k}=2$, df2 $=\mathrm{n}-\mathrm{k}-1=207-2-1=204$, obtained the value of F table of 3,040 . So it can be concluded, with the acceptance criteria of significance F count $>3.040$ or $330.203>3.040$, it is known that H1.3 is accepted, meaning that Transformational Leadership and Work Conflict Affect the Performance of KAI Operational Employees.

## DISCUSSION

Based on the results of the analysis that has been done, it is known that the three hypotheses proposed in this study are accepted. KAI's transformational leadership variable is in the poor category, while the work conflict variable is in the high category and the employee performance variable is in the poor category. The transformational leadership applied at KAI emphasizes the vision from superiors to subordinates. However, the practice of transformational leadership is not something that can only be stated, but also needs to be applied in organizational practices within the Directorate of Operations of KAI. From the work conflict variables in the work environment, relationship conflict is the highest cause of conflict that occurs in the Directorate of Operations of KAI. The silo attitude that occurs between units in the directorate of operations and errors in communication are still homework that must be completed, by emphasizing collaborative practices where win-win solutions can occur between teams that intersect each other in working on a project or routine task. Task performance and contextual performance that occur in the Directorate of Operations of KAI tend to be the same, but there are dimensions that need to be improved, namely adaptive performance. Adaptive performance is important to note because of the era of the VUCA world that is happening in today's world. The more adaptive to the market, the better the organization will be to become the choice for consumers. For profit-oriented organizations, employee performance is one of the keys to success to improve organizational performance.

The test for the first hypothesis of research on the effect of transformational leadership on the performance of KAI's operational employees, it was found that the variable of transformational leadership had a significant positive effect on employee performance. Descriptive results regarding transformational leadership obtained show signs that are not good and cause poor employee performance as well. Similar results were found in a study conducted by Wang, et al. (2011) where his research studies the effect of transformational leadership on employee performance. The study said that transformational leadership is positively related to employee performance. With the employee's performance getting better because of the transformational leadership factor, the performance from a wider level, namely organizational performance is also getting better. Another study initiated by Buil et al. (2019) stated that transformational leadership is an important thing that can drive employee performance. Managers who have transformational leadership practices such as: good communication in conveying the vision, mission, and goals of an organization, creating a supportive organizational culture, acting as a mentor, and understanding the needs of their subordinates can support better employee performance. The results of domestic research on similar research objects, namely the transformational leadership style and employee performance are also similar.

Testing the second hypothesis relates to work conflict and the performance of KAI's operational employees. Descriptive research results obtained through questionnaires distributed showed that high conflict and poor employee performance. The study found that work conflict had a negative and significant effect on employee performance. This means that the higher the work conflict that occurs in the work environment, the employee's
performance will decrease. This finding supports the research conducted by Jehn, et al. (2011) that a low level of work conflict will perform well. Research from Jungst and Blumberg (2016) also says that conflict has a significant negative relationship with individual performance at work, but if the relationship between employees is well established, then the conflict will have less effect on the individual's performance. This shows the importance of handling conflict that is relationship between individuals and between teams/groups. Claro, et al. (2018) mentions in his research that an increase in excessive amounts of conflict can interfere with performance, for this reason it is necessary to have the ability to handle conflict, namely conflict management that can be applied in company operations.

The research hypothesis shows that transformational leadership and work conflict affect the performance of KAI's operational employees. Transformational leadership has a significant influence on employee performance and work conflict has a moderate effect on employee performance at the PT KAI directorate. This shows that the transformational leadership variable has a greater influence than the influence of work conflict in influencing employee performance. The Directorate of Operations of KAI can recruit or promote managerial candidates who have high transformational leadership. Managers with good transformational leadership can apply transformational leadership practices such as communication and overseeing the vision, mission.

In creating a conducive work environment and able to develop existing employees, companies need to maintain a good level of work conflict, one of which is conflict management. Conflict management that can be applied in the current VUCA era is by collaborating. Collaboration is one of the corporate cultures, especially SOEs that are incorporated in the "AKHLAK" culture (Many, Competent, Harmonious, Loyal, Adaptive, Collaborative) in accordance with the Circular Letter of the Minister of SOEs SE-7/MBU/07/2020 dated July 1, 2020 concerning Values Core Values Human Resources of StateOwned Enterprises under the leadership of Erick Thohir. Waal, et al. (2019) also offers an approach to eliminating silos, tak ing into account the following factors, namely: value, collaborative operating model, collaborative environment, leadership, and human development and appreciation. In this way, the results of collaboration will be obtained, namely: better cooperation with other units, increased efficiency, more satisfied customers, and increased flexibility. A conducive environment can create proactive employees. The right application and combination of transformative leaders and proactive employees can increase work engagement (Buil, et al., 2019) and ultimately improve employee performance and company performance.

## CONCLUSION

The authors can make conclusions based on the explanations contained in the previous chapter. Transformational leadership variables and employee performance variables are included in decent category. Meanwhile, the work conflict variable is classified as high category and all hypotheses can be accepted based on statistical calculations that have been done. The lower the work conflict, the better the resulting employee performance. Vice versa, if the work conflict is high, the performance achieved will be deficient. Good transformational leadership is expected to be able to become a compass in daily work, direct employees to work effectively and efficiently, and be a guide in resolving existing conflicts so that conflicts that occur do not enlarge and interfere with employee performance.

Further research can add aspects outside of this research variable, such as the level of employee job satisfaction or organizational culture. In addition, it can also use aspects of employee motivation in determining the level of employee performance. Academics who study human resources studies can explore further by using other units of analysis, or those that are broader and can also be compared with other industrial analysis units

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